



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/1992/56
24 March 1992

ORIGINAL: ENGLISH

Thirty-ninth session
4-24 May 1992, Geneva
Item 6 of the provisional agenda

PROGRAMME PLANNING

Country and intercountry programmes and projects

Assistance to Cambodia

Note by the Administrator

I. BACKGROUND

1. All United Nations assistance to Cambodia was suspended in 1975 due to the situation in the country. However, the United Nations Development Programme (UNDP) channelled \$25.6 million on an exceptional basis during the 1980-1982 period. This was for agriculture and health relief assistance, within the framework of the Humanitarian Emergency Relief Assistance Operations for Cambodia. From the early 1980s until mid-1991, aid to Cambodia was of a humanitarian nature, provided through the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the United Nations High Commissioner for Refugees (UNHCR). During this period, non-governmental organizations (NGOs) extended both humanitarian and minimal levels of development related hard-currency assistance to Cambodia. The main source of development assistance throughout the decade of the 1980s came from the countries of the Council of Mutual Economic Assistance (CMEA).

2. By the end of the 1970s, Cambodia was left socially and economically devastated, and the country remains one of the poorest in the world, with an estimated per capita income of \$130. Prolonged internal conflict has left a large number of vulnerable and disadvantaged, particularly widows and physically disabled. Its rural populations, in particular, have received little assistance over the past 16 years and live in extreme poverty. The country is now confronted with the immediate needs of these and other disadvantaged groups, including the internally displaced, orphans and the

elderly. Its ability to address the needs of the population is handicapped by severe budgetary constraints, an extremely short supply of skilled people at all levels who can run its basic services, a lack of supplies, and an inadequate physical infrastructure.

3. In early 1990, the Secretary-General requested UNDP to field a series of fact-finding missions dealing, *inter alia*, with the improvement of infrastructure, needed for the transitional period, and to facilitate the role of the United Nations Transitional Authority in Cambodia (UNTAC). With peace prospects becoming more realistic, UNDP established, in October 1990, a liaison office in Phnom Penh to facilitate and to backstop the increasing number of United Nations fact-finding missions to Cambodia.

4. UNDP-organized fact-finding exercises so far have covered: infrastructure rehabilitation needs in respect of roads, railways, river and sea ports, airports and telecommunications; electricity and water supply; civil aviation; UNDP/NGO cooperation; economic and demographic statistics; multisectoral training needs; the United Nations Volunteers (UNVs); rural integration and area development; and vocational training for demobilized soldiers. The missions have made extensive use of specialists drawn from specialized agencies of the United Nations and NGOs. The UNDP Liaison Office was converted into a regular field office in November 1991 with accreditation of a Resident Representative to the Supreme National Council (SNC), after the latter was established in Phnom Penh. The UNDP field office (earlier the liaison office) has played a leadership role in identifying, organizing and implementing humanitarian assistance programmes (including for the internally displaced persons in the country), funded through the Special Representative of the Secretary-General for Coordination of Cambodian Humanitarian Assistance Programmes, and in organizing and coordinating disaster relief during the unprecedented floods in September 1991. Consultative and coordination mechanisms for external assistance programmes have also been set up, and there are regular meetings of the donor community and NGOs for that purpose.

5. In September 1990, the Security Council (resolution 668/1990) welcomed "the agreement reached by all Cambodian parties at Jakarta to form a Supreme National Council as the unique legitimate body and source of authority in which, throughout the transitional period, the independence, national sovereignty and unity of Cambodia is embodied". This development was also welcomed by the General Assembly which noted in its resolution 45/3 of 16 October 1990 that the Supreme National Council "will therefore represent Cambodia externally and occupy the seat of Cambodia at the United Nations, in the United Nations specialized agencies and in other international institutions and international conferences".

6. In light of the above, UNDP considers that it should respond to requests of the Supreme National Council for technical cooperation, despite the absence of a country programme. The present note therefore sets out the programme areas which the Administrator considers appropriate for UNDP assistance during the transitional period, that is, until a freely and fairly elected government

/...

is in place in Cambodia to formulate the country's reconstruction and development plans which would, in turn, provide the framework for a regular country programme.

7. At its first formal meeting in June 1991, the Supreme National Council requested the Secretary-General to provide humanitarian, training, rehabilitation and reconstruction assistance to all Cambodians. The Secretary-General, in turn, requested UNDP to provide such assistance. In response, and keeping in view its mandate for human development and capacity-building, including aid coordination, two projects totalling over \$12 million in indicative planning figure (IPF) resources were approved and signed by the President of the Supreme National Council and the UNDP Administrator in September 1991. These projects are to: address urgent humanitarian, rehabilitation and coordination needs, including data-gathering and preparation of reports and feasibility studies to attract and enable donor assistance; and identify needs and provide critical human resources for advisory and operational services in the context of on-the-job training and capacity-building.

II. NEEDS TO BE ADDRESSED DURING THE TRANSITIONAL PERIOD

8. Under the agreement on a comprehensive political settlement of the Cambodia conflict, signed in Paris on 23 October 1991, the transitional period commenced with the signing of the agreement; it will end when free and fair elections lead to the creation of a new government, presently estimated to take place by 31 July 1993 (see document S/23613/Add.1 of 26 February 1992). The Declaration on the Rehabilitation and Reconstruction of Cambodia, forming part of the agreement, stipulates that "the main responsibility for deciding Cambodia's reconstruction needs and plans should rest with the people and the government formed after free and fair elections". It calls for the initiation of a process of rehabilitation, addressing immediate needs and laying the groundwork for future medium and longer-term reconstruction plans. The rehabilitation phase is considered as being coterminous with the transitional period.

9. The Declaration also calls for: (a) coordination of all international, regional and bilateral assistance to Cambodia; (b) the United Nations system to play an important role in rehabilitation and reconstruction; and (c) the Secretary-General to appoint a person to help coordinate such a programme. As noted in the report of the Secretary-General on Cambodia to the Security Council (S/23613 of 19 February 1992), "In Cambodia, where resources are scarce, circumstances are expected to be changing rapidly and UNTAC is expected to be present in almost every domain, it will be essential to coordinate rehabilitation efforts within the framework of activities being carried out by UNTAC in the implementation of its mandate".

10. The report of the Secretary-General on Cambodia to the Security Council (S/23613 of 19 February 1992), also notes that the urgent needs to be met during the transitional period include the following:

/...

(a) Humanitarian needs in terms of food, health, housing and other essential needs, of all Cambodians and particularly the disadvantaged, handicapped, and women and children;

(b) Resettlement needs, comprising essential agricultural inputs, improved access, drinking water supplies, health and educational facilities, vocational training and food security, as necessary, in order to meet:

- (i) The resettlement and integration needs of the 350,000 Cambodians returning from the border camps in Thailand to their original or chosen places of habitation and livelihood; the 170,000 internally displaced persons; and the estimated 150,000 or more Cambodian military forces to be demobilized and reintegrated into civilian life;
- (ii) The essential needs of the populations in all Cambodian communities, especially rural communities, with special focus on areas where resettlement will take place;

(c) Essential restoration, maintenance and support of basic infrastructure, institutions, utilities and other essential services, such as major roadways, railways, seaports and river ports, airports, telecommunications, health, education, and banking, as well as training related to the efficient operations of the various sectors.

III. UNDP STRATEGY DURING THE TRANSITIONAL PERIOD

11. The cornerstone of UNDP strategy during the transitional period is to address essential needs through: (a) appropriate technical cooperation for national capacity-building in the delivery of essential public services inherent to any administration; and (b) as part of (a), to help establish and enhance internal capacity to coordinate, absorb and effectively use the considerable amount of external assistance expected to flow from multiple channels, multilateral as well as bilateral. UNDP expects to play a catalytic role in identifying specific areas and sectors that are most in need of priority assistance and attracting donor attention and allocations to them.

12. Successive fact-finding and programme formulation exercises, upon which the UNDP transitional period strategy has been built, have addressed the special needs of particularly vulnerable groups: women, handicapped youth and demobilized soldiers. The needs of these groups will be addressed as a priority, in all UNDP-assisted programmes. UNDP will work closely with bilateral donors through cost-sharing, trust funds, management services agreements and voluntary contributions to expand the impact and cost-effectiveness of its own limited resources.

13. There will be close collaboration with both the Supreme National Council and the Special Representative of the Secretary-General in charge of UNTAC in gathering data, identifying specific programmes, and activities to meet the

transitional as well as longer-term needs. UNDP will develop, support and implement such programmes using IPF resources and through cost-sharing mechanisms, keeping in view that rehabilitation and reconstruction are parts of the same continuum: laying the groundwork for the future remains inseparable from addressing current needs.

14. Human-resource development. Cambodia lost most of its skilled people during the 1975-1979 period and human-resource development is a critical need of the country. UNDP assistance would be for developing skills in short supply, using specially designed in-country training courses as well as on-the-job training.

15. Infrastructure rehabilitation. UNDP would assist with feasibility studies for the rehabilitation of infrastructure and institutions essential to support UNTAC and external-aid activities of the transitional period. Such assistance would also facilitate provision of capital assistance by bilateral donors, and provide necessary managerial and advisory services for efficient functioning of the infrastructure and institutions.

16. Assistance for resettlement and to rural areas. UNDP and UNHCR have entered into a memorandum of understanding outlining areas of cooperation in regard to the reintegration of refugees in Cambodia. Under this, the work of United Nations agencies and bilateral agencies will be coordinated by UNDP and UNHCR under the country-level joint support unit. In this context, UNDP, with the participation of UNICEF, UNHCR, other United Nations and bilateral agencies, has developed a rural integration strategy for the reintegration of refugees, the internally displaced, and demobilized soldiers. Assistance will be provided to rural areas, especially those communities in which returnees will resettle, in order to help these communities absorb them. UNDP would provide assistance for selected and critical quick-impact projects to address urgent needs for safe water, agriculture inputs, health care, and the rehabilitation of the rural infrastructure. Longer-term area development schemes - based on community participation and decision-making - would be formulated to address needs for agriculture development, education, health care and vocational training. A significant part of this assistance is expected to be implemented through NGOs.

17. Aid coordination. Soon after the signature of the peace accord in Paris on 23 October 1991, UNDP held an informal consultation of bilateral donors to present the needs of Cambodia over the transitional period. One clear requirement that emanated from this consultation was the preparation of a comprehensive picture of the transitional needs of Cambodia, prioritized and costed, to assist donors in rationally planning their aid to the country. In response, UNDP has prepared a comprehensive paper on the needs of Cambodia which will be shared with all donors to help focus aid on priority areas and to facilitate aid coordination. UNDP will work closely with the Special Representative of the Secretary-General in Cambodia in charge of UNTAC, and will provide necessary support in effective coordination of all external assistance to Cambodia. Aid coordinating mechanisms already established by

/...

UNDP in Cambodia to review ongoing programmes, specialized needs for coordination, and to identify emerging needs for assistance, will support the work of the SRSG.

IV. IMPLEMENTATION ARRANGEMENTS

18. UNDP will work closely with the Special Representative of the Secretary-General, the Supreme National Council, United Nations agencies and other aid partners in identifying, developing and implementing its programmes of assistance to Cambodia during the transitional period. It will closely involve the NGO community which has provided valuable assistance to Cambodia over the decade and has built up immense expertise in the country. UNDP programmes will give priority to the use of United Nations Volunteers, expatriate Cambodians, technical cooperation among developing countries (TCDC) and Transfer of Knowledge Through Expatriate Nationals (TOKTEN) experts. Where appropriate, UNDP programmes will also encourage and foster an increasing role for the small-scale private sector.

V. FINANCIAL IMPLICATIONS

19. The transitional period is currently expected to conclude on 31 July 1993, when a new government will take office. The proposed UNDP assistance will also consequently cover the period 1992-1993. It is anticipated that a country programme for Cambodia, formulated with the new government, could be presented to the Governing Council at its forty-first session (1994).

20. The IPF resources available during the fifth cycle are \$81.6 million, including past accumulated unspent amounts (see the annex). It is proposed to commit \$40 million of this amount during the period up to 31 December 1993, leaving the balance to be programmed under the country programme to be formulated with the new government. Pending the formulation and approval of the country programme, the Administrator would approve all projects on a project-by-project basis.

21. The Administrator recommends approval of the use of IPF resources as proposed in the present note. He intends to report to the Governing Council at its fortieth session on UNDP activities in Cambodia during the transitional period.

Annex

FINANCIAL SUMMARY

The Governing Council continued to establish IPFs for Cambodia for the third, fourth and fifth cycles, in the anticipation that a situation conducive to renewal of UNDP assistance to the country might evolve.

IPF resources for Cambodia

(Thousands of dollars)

1. Past carry-overs:

Third cycle	17 245
Fourth cycle	<u>36 500</u>
	53 745

Less budgets for programmes
(approved in 1989-1991)

13 459

Balance available

40 286

2. Fifth cycle IPF a/

41 343

3. Total programmable resources (1992-1996)

81 629

a/ Consequent to the General Assembly designating Cambodia as a least developed country on 20 December 1991, the Governing Council will review the IPF for 1992-1996 at its current May 1992 session.
